

(Mr. OSBORNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

MEDICARE PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, today marks the 2-month anniversary of the Medicare prescription drug benefit, and it would not be too much of an exaggeration to say that, so far, the Part D, D stands for disaster.

The benefit is so complicated and convoluted that even beneficiaries with Ph.D.s have said they could not figure it out.

Why is this program so flawed? Because it was designed, or we like to say in the private sector, the first operation is take care of the customer first. I have yet to find a single pharmaceutical executive or an HMO executive who is complaining about this program, but I have found a heck of a lot of senior citizens who are complaining about this program. This program was never designed with our senior citizens in mind. If it was, you would not have the complexities that are happening for our senior citizens.

The executives of the drug companies will earn \$139 billion of additional profits that they would not have earned any other way; insurance companies, \$130 billion of additional profits over the next 10 years.

The complexity of the benefit shows, in my view, what was wrong and what we should have done right. Three simple steps:

One, with the May 15 penalty that will kick in, the tax, the senior Medicare tax, postpone that until HHS and CMS figure out what they should be doing, rather than what they should not be doing. No senior should be forced into a program where even the people running it do not know what they are doing.

Second, directly negotiate for prices. That is what the Veterans' Administration does. That is what Sam's Club does. That is what Target does. That is what Costco does. Anybody in the private sector, literally, bulk purchases get a better price than anybody buying individually.

And third, allow people competitive choices by reimportation, allowing them to buy drugs in Canada, England, France, where they can get competitive pricing which is 50 percent cheaper.

I have a Costco in Chicago. There is also a Costco in Toronto. We have up on our Web site the two Costcos, one in Toronto, one in Chicago. Same 10 drugs, same milligram, same dosage; and the Costco in Toronto is constantly \$1,000 cheaper for the same drugs over the same period of time than the one in Chicago. And yet both of them are stores that are supposed to be discount.

And lastly, allow generics to market quicker. If you had direct negotiations, reimportation, generics to market quicker, three free market principles where competition and choice rule, we would actually have cheaper pharmaceutical prices, things that seniors can afford, and save money for taxpayers as well.

And yet what we do not have are those programs. And we are forcing in the middle of May, May 15, senior citizens will literally pay a Medicare privatization tax.

On April 15, all Americans will pay a tax. On May 15, because of the complexity of this program, seniors will begin to pay a tax for the complexities.

Seniors that do not want to join this program, that are confused because of the way that they have been forced into plans, had plans drop their drugs, not offer all the drugs they need at a better price than they can get otherwise, will literally start to be taxed by the Federal Government.

Tens of thousands of beneficiaries, today in the New York Times an article highlighted that the beneficiaries are automatically assigned to plans and deciding to switch plans are finding that they are actively enrolled in two drug plans at the same time.

When you read a report on what is going on, you would think you were reading an after-action report on Katrina. What has happened over at HHS and Health and Human Services on Medicare is literally one more example of the disaster the Federal Government has had in running this plan. The situation leaves patients at risk, being charged two premiums or incorrect copayments.

In my hometown of Chicago, seniors have 62 separate drug plans to pick from. And I hear constantly from my constituents every day that the choices are causing confusion and problems. Pharmacists are not sure what is happening. The people administering the plans are not sure what is happening, and it is leaving seniors absolutely in total confusion.

Seniors need clearly more time to figure this out. They should not be penalized with a complexity tax, a privatization tax for taking the time to get the facts. Facts, I remind you, that even HHS and Medicare are not sure of what the facts are as it relates to what is the best plan.

Just to give you an idea of the tax we are talking about, if a senior decided to wait for 2 years before enrolling, there will be a 24 percent higher premium to pay. That is an additional \$7.73 per month on top of the monthly premium. If a senior waits longer, it can go as high as \$456 a year. For seniors on a fixed income, this is a tremendous financial burden.

Even before the drug benefit went into effect on January 1, there were problems. And the Republican colleagues who wrote the plan know what the problems are.

In fact, the drug manufacturers, again, I would like to repeat and I will

be done: \$139 billion in profits over the next 8 years and insurers, \$130 million.

THE THIEVES OF KATRINA AND RITA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE. Mr. Speaker, in the disturbing days following Hurricane Katrina there was much confusion and chaos and catastrophe. Isaac Carloss and his wife, Debbie Anderson, used this tragedy to take advantage of innocent victims of this hurricane. Their deceptive and lawless journey was only recently halted by the Department of Justice.

According to the DOJ, Carloss' wife, Debbie, met an evacuee at a rescue shelter following the hurricane. Since the evacuee was unable to return to his home, Debbie gave the individual permission to use her address and receive mail. The evacuee then applied for FEMA assistance, and an express mail package addressed to the evacuee was sent to Debbie's residence. Debbie signed for the package with a fictitious name, opened the mail, and started her illegal spending spree across Louisiana.

The package included two FEMA disaster assistance checks totaling over \$4,000 intended for the evacuee. But Diane, Isaac and Debbie took these checks and went directly to the local car dealership where they used one of the checks to purchase a car. She then took the other check to a bank in Louisiana where she persuaded the teller to cash the check because they were victims, or she was a victim of the hurricane.

Just last week, in Louisiana, her husband, Isaac, was found guilty of one count of conspiracy, one count of theft of mail and two counts of theft of public money. He faces a sentence up to 5 years in prison. His wife, Debbie, has already pleaded guilty in January to a count of conspiracy. This is just one of the many examples of the vagrants that cheated the government and the victims of Hurricane Katrina and Rita.

Six months ago, when the ladies of the gulf, Katrina and Rita, pounded the gulf coast, thousands of people were left dismayed. They were distressed and in desperate need of aid. In the days following the hurricanes FEMA quickly began disbursing money to suffering victims. However, amidst all the confusion and chaos, fraud started. Now, 6 months later and millions of dollars wasted later, the winds have subsided, but the deception continues and the shady scams are getting more disturbing every day.

According to a recent Government Accounting study, Federal investigators have learned 1,000 people who applied for aid used Social Security numbers of dead people; 1,000 used bogus, nonexistent numbers, and tens of thousands have used names, birth dates and Social Security numbers of people that did not match.

The report also found that up to 900,000 of the 2.5 million applicants to receive aid under FEMA's emergency assistance program were based upon duplicate or invalid Social Security numbers or false addresses. Additionally, duplicate payments were made to some people who applied first with debit cards then again by electronic bank transfer.

The GAO reported another example where one person used 15 different Social Security numbers and received payments totaling \$41,000, money he has stolen from the victims and from the taxpayers.

The corruption is chilling. With FEMA debit cards an individual in Jefferson, Louisiana, spent \$1,300 on a pistol. An individual in Houston, Texas spent \$1,200 at a gentleman's club with his FEMA debit card. And the list goes on: diamond engagement rings, gambling, bail bondsmen, tattoos, massages, alcohol and adult erotic products.

We also have learned that hotel rooms in New York City have cost the taxpayers \$500 a night, beachfront apartments being rented in the same amounts were all paid for by FEMA, which really means paid for by other taxpayers. Reports have even surfaced about emergency meals being sold on eBay.

Legitimate, law-abiding citizens are suffering because of these disgraceful and despicable delinquents that have chosen to take advantage of this tragedy.

These criminals should be found and they should go to jail, and anyone in the Federal Government that has helped them should be in jail as well. These crimes took place at the detriment of real victims, and they have cheated the system and deserve to be punished. There must be a zero tolerance policy for these scam artists and it must be stopped.

Then, Mr. Speaker, we hear of the other abuses in the system where FEMA has spent millions of dollars for 10,000 brand-new, fully furnished trailers, but they are not being used for any victims of this disaster. They are being stored in Hope, Arkansas, because FEMA regulations prevent those trailers from being in flood plains. Of course, it is the flood plains that were affected by these hurricanes. And according to a Fox News report, the cost of these trailers is \$367 million.

And now we learn that these 10,000 trailers sitting in Arkansas, because of the weather, are starting to sink in the mud. This is ridiculous, how FEMA has abused the system by not being prepared for this disaster.

Mr. Speaker, it has been over 6 months since Hurricane Katrina, 4 months since Hurricane Rita. There are still people that are suffering. We have got to take control of this situation. We have to remove the incompetence, and people who have committed crimes must be punished and sent to jail. There need to be no ex-

cuses because of inefficient red tape or lawlessness. These people need to be held accountable, both those in the Federal Government and others.

Mr. Speaker, that's just the way it is.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

□ 1545

CALLING FOR INVESTIGATION INTO THE DUBAI DEAL TO MANAGE U.S. PORTS

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent to claim the Special Order time of the gentleman from Oregon (Mr. DEFAZIO).

The SPEAKER pro tempore (Mr. DAVIS of Kentucky). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, my Special Order this evening concerns the proposed acquisition of Dubai Ports World of the leasing contracts for several major U.S. ports on the east coast. And in relation to that, I have sent letters to the Treasury Inspector General and to the committee of jurisdiction here in the House, the Government Reform Committee, asking both those entities to review any conflict of interest regarding the participation of the U.S. Secretary of the Treasury, John Snow, who chairs the Committee on Foreign Investment, the group which approved the recent contract with Dubai Ports World. I will place these two letters of request in the RECORD.

The letters ask the committee and the Inspector General to determine whether appropriate processes were followed, conflicts of interests explored, and whether or not American companies were solicited during that process. The Treasury agreement itself raises serious ethical questions regarding those directly responsible for this decision. In particular, given that Dubai Ports World acquired CSX World Terminals in 2004 for \$1.15 billion, a company of which Secretary of the Treasury John Snow was chair prior to coming to the administration, and this should raise serious questions both about the acquisition of the CSX port operations and the recent awarding of this contract.

As chair of the U.S. Treasury Committee on Foreign Investment, Secretary Snow and the Treasury Department had the lead authority in approving the Dubai transaction. Secretary Snow holds a deferred compensation package and a special retirement pension from his days as CEO of CSX Corporation. In 2004 CSX World Terminals

was acquired by Dubai Ports World, the successful bidder on this contract. But given that Secretary Snow had previously disclosed a deferred compensation package with CSX valued at between \$5 million and \$25 million and \$33.2 million from a special retirement pension, one would expect that any financial benefit from the sale of CSX World Terminals to Dubai Ports World, including any stock holdings, would have been revealed, especially if there might be any residual from subsequent actions such as these.

The President's assertion that he had polled his Cabinet Secretaries on the Dubai deal causes concern for me that at least one, Secretary Snow, should have removed himself from the decision, given his business connections to CSX and Dubai.

On 9/11, two members of the hijack team that simultaneously downed the Twin Towers in New York City and killed hundreds of Americans at the Pentagon were from the United Arab Emirates. And as the 9/11 Commission reported, those same terrorists laundered much of the money for their operation through the United Arab Emirates-controlled banks.

We should ask instead of developing our own companies to manage our own U.S. operations, why should we settle for the revolving door that has skilled people move from one company to another, creating a pea-in-the-shell game that leaves the public wondering who is in charge and does anyone care? And, importantly, is America for sale at any price?

Secretary of the Treasury John Snow was CEO of CSX just about a year before CSX sold some of its international operations to Dubai Ports World. Was this billion-dollar deal done totally after he left, or was it already in the works while he served as CEO of that company? Why is it that no one at Treasury said that Secretary Snow recused himself from this transaction until they were called about it? Secretary Snow himself claimed not to have known about the deal. How can someone not know about a deal from which they should recuse themselves?

The White House has appointed David Sanborn as the new administrator of the Maritime Administration. He worked as Dubai Ports World director of operations in Europe and Latin America until he was appointed to the post in January, the same month the Treasury Department's Committee on Foreign Investment in the United States approved the Dubai Ports World takeover. David Sanborn also previously worked for the CSX Corporation. The revolving door brings him back to a high government position. Some Senators have vowed to block Sanborn's nomination unless he testifies before the Commerce Committee.

CNN has reported that the United Arab Emirates is a major investor in the Carlyle Group, the private equity investment firm where President Bush's father once served as senior adviser and is a who's who of former